STATEHOUSE REPORT

Published by: County Commissioners Association of Ohio

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September 8, 2023

Budget Highlight: Department of Development grants and webinar

Among the many provisions of the state budget, which will take full effect on October 3, are grant programs that will be administered by the Department of Development. These include new rounds of the Brownfield Remediation Program and the Building Demolition and Site Revitalization Program. These, along with the Lead Safe Ohio Program created in House Bill 45 of the 134th General Assembly, offer important state funding that counties can utilize to improve the health, safety, and economic viability of their communities.

Brownfield Remediation Program

The budget appropriates a total of $350 million over the biennium ($175 million in each fiscal year) to fund the Brownfield Remediation Program. Grants awarded under this program are to be used for the remediation of brownfield sites for future development, whether residential or commercial. The department reserves $1 million for each county with the balance appropriated on a first-come, first-serve basis to projects across the state.

New to the program in this budget is language regarding a lead entity in each county. Only a lead entity in each county may submit grant applications to the department, with the lead entity determined based on the following conditions:

- If the county has a population of 100,000 or more and has a land bank, the land bank is the lead entity.

- If the county has a population of less than 100,000 or does not have a land bank, the board of county commissioners makes recommendations regarding the lead entity, from which the Director of Development picks the lead entity.

The lead entity must include within the grant application any agreements with the entity and other recipients who will receive allocations from the grant. Eligible recipients include units of local government, nonprofit organizations, community development corporations, community action agencies, regional planning commissions, and land banks.

Any unencumbered, unexpended balance in the fund used to award grants is reappropriated for the same purpose in the next fiscal year.

Building Demolition and Site Revitalization Program
The budget appropriates $150 million in FY 2024 to fund the Building Demolition and Site Revitalization Program. Grants awarded under this program are intended to be used to demolish commercial and residential properties and revitalize surrounding areas for sites that are not brownfields. The department reserves $500,000 for each county, with any subsequent grants being made on a first-come, first-serve basis for projects across the state.

The same language governing lead entities that applies to the Brownfield Remediation Program also applies to the Demolition and Revitalization Program. However, these requirements were generally implemented by rule in the prior round of awards so counties may already be familiar with them.

Any unencumbered, unexpended balance in the fund used to award grants is reappropriated for the same purpose in the next fiscal year.

Lead Safe Ohio
House Bill 45 of the 134th General Assembly appropriated $150 million in state-level ARPA funding for lead poisoning prevention and mitigation. Of that total, the Department of Development has allocated $95 million to the Lead Safe Ohio Program. Each county has a set amount reserved for it (viewable here). Funds are intended to be used for prevention and reducing immediate and presumed lead hazards in residential properties, congregate care settings, and childcare facilities built before 1978.

On Monday, September 18, at 2:00 p.m., the Department of Development will host a webinar regarding these three grant programs to give counties a more in-depth overview and answer questions about how funds can be used and how best to tailor applications to bring dollars from the first-come, first-serve pool to their communities. CCAO highly recommends counties attend.

Registration can be completed here.

Issue Spotlight: Next Generation 9-1-1

At CCAO, we are continually looking to educate our members on key issues being discussed in the state. The goal of this new section in *Statehouse Report* is to concentrate on an issue that will be discussed in the legislature and provide our members with information and talking points to assist with your advocacy efforts.

House Bill 33, the state's operating budget, made significant changes to Ohio's 9-1-1 system. In this *Issue Spotlight*, we will cover the 9-1-1 fee and funding distribution changes contained in HB 33. First, it is important to understand the current fee and funding distribution structure at the state level for 9-1-1 funding. Tables 1 and 2 summarize the fee and funding distribution changes between current law and HB 33. Table 2 also includes an estimate of the funding each entity will receive when the new fee amounts are put in place.

Table 1) Fee Structures for 9-1-1 Services, Current Law and House Bill 33		
Fee Type	Current Law	House Bill 33 (Effective January 1, 2024)
Monthly Fee	$0.25 on all wireless devices	$0.40 on each wireless telephone, on each VoIP channel (up to 100 channels per user), and on each MTS line (up to 100 per building for a single subscriber)
Prepaid Device Fee	0.5% of the sales price of a prepaid wireless calling service.	0.5% of the sales price of a prepaid wireless calling service.
Estimated Annual Revenue	$28.5 million	$100.0 million

**VoIP = Voice over Internet Protocol*
***MTS = Multiline Telephone System*

Table 2) Fee Distribution Formula for 9-1-1 Services, Current Law and House Bill 33		
Entity	Current Law	House Bill 33 (Effective October 3, 2023)
Counties	97% ($27.6 million)	72% ($72 million)
State 9-1-1 Office	2% ($570,000)	2% ($2 million)
Department of Taxation	1% ($285,000)	1% ($1 million)
State NG 9-1-1 Program	N/A	25% ($25 million)

**State 9-1-1 Office may move funds between the four pots under House Bill 33*

In addition to the funding provided by the state, funding to provide 9-1-1 services at the local level also comes from a variety of sources including property tax levies, sales tax levies, general funds, charges to landline accounts, and some grant funding. The ability to utilize these sources of funding was unchanged by HB 33.

<u>**Key Takeaways and Talking Points:**</u>

- HB 33 increased the monthly 9-1-1 user fee from $0.25 to $0.40 from January 1, 2024, to September 30, 2025 and expanded the number of services that are now subject to the fee.
- This monthly user fee increase should result in an increase in 9-1-1 funding to counties from the state and allow for the ongoing support of a statewide Next Generation 9-1-1 system.

- Counties are still allowed to supplement the state 9-1-1 funding with levies and other local sources of funding contained in current law.

While the changes made in HB 33 are poised to increase the funding available to counties, there are two items which require advocacy to help rectify.

As noted in the tables above, the new $0.40 fee on a wider universe of devices will begin in January 2024; however, the new distribution formula, which sees the county share of revenue decrease from 97% to 72%, will begin in October 2023. This will result in counties receiving reduced 9-1-1 revenue from the state from October through February. The Department of Administrative Services is aware of this issue and plans to transfer funding from their 9-1-1 lines to make counties whole during this transition period. CCAO has made the legislature aware of this issue as well and will be working to potentially fix this issue in the fall.

Another issue that will need advocacy is the duration of the new $0.40 fee. HB 33 sunsets the $0.40 fee and reverts to the current $0.25 in October 2025. CCAO will be working to remove the reduction and keep the $0.40 fee in continuing law.

<u>Advocacy Issues:</u>

- Keep counties whole during this the transition period to the new fee amount due to the lack of alignment in the fee increase and the new distribution formula.
- Remove the October 2025 reduction in the fee and keep the fee at $0.40 in continuing law.

Next week, Issue Spotlight will continue its focus on Next Generation 9-1-1 by covering the new requirements for the county 9-1-1 planning committee and county 9-1-1 plan. If you have questions about this information, please contact Managing Director of Policy Kyle Petty at kpetty@ccao.org or 614-220-7977.

Pending legislation round-up

As legislative committees begin to return from summer break, CCAO is providing an overview of bills that the Policy Team is monitoring. While the list is thorough, it is not necessarily exhaustive. CCAO has not taken a position on each bill. Unless it is noted that a bill has received testimony from CCAO, the Association has not formally taken a position on the bill.

Bills that have been signed by the governor or that were included in the state budget are not listed.

House Bill 1 – To make changes to Ohio’s income tax brackets and the property tax system.

- Has received seven hearings.

House Bill 21 and Senate Bill 55 – Requires presidential primary elections to be held on the first Tuesday after the second Monday in May *(these bills are identical)*.

- HB 21 has received two hearings.
- SB 55 has not yet received a hearing.

House Bill 30 – Requires county jails to provide feminine hygiene products to inmates experiencing a menstrual cycle.
- Has received two hearings.

House Bill 57 – To index the homestead exemption amounts to inflation.
- Passed unanimously by the House on May 24.

House Bill 60 – Increases the amount of the homestead exemption and expands the income qualifications for the exemption.
- Has received four hearings.

House Bill 64 – Modifies eminent domain law.
- Has received four hearings.
- CCAO has provided opponent testimony.

House Bill 85 – Expand methods by which land banks acquire delinquent property.
- Has received two hearings.

House Bill 90 – Authorizes a total property tax exemption for the homesteads of totally disabled veterans and their surviving spouses.
- Has received two hearings.

House Bill 93 – Regards limits on recovery and lien imposition by municipalities.
- Has received five hearings.
- Favorably reported by House State and Local Government.

House Bill 101 – Modify the law regarding village dissolution.
- Passed out of the House on June 14.
- Has received one hearing in the Senate.
- CCAO has provided proponent testimony.

House Bill 145 and Senate Bill 23 – Clarifies political subdivision joint purchasing authority to expressly include construction services *(these bills are identical)*.
- HB 145 has received three hearings; SB 23 was favorably reported out of Senate Government Oversight on April 19.
- CCAO has provided proponent testimony for both bills.

House Bill 153 – To limit which abandoned land may be subject to certain expedited foreclosure proceedings.
- Has received two hearings.

House Bill 187 – To modify the procedures used by the Tax Commissioner to conduct property tax sales-assessment ratio studies.

- Has received three hearings.

House Bill 189 and Senate Bill 124 – To exempt from the sales and use tax the sale of certain firearms and ammunition and to authorize nonrefundable tax credits for small arms and ammunition manufacturers *(these bills are identical)*.

- Neither bill has received a hearing.

House Bill 193 – To establish procedures and requirements governing biosolid lagoons and biodigestion facilities, including granting county and township zoning authority over those lagoons and facilities, and to modify the CAUV eligibility requirements for certain land used to produce biofuels.

- Has received one hearing.

House Bill 215 – To modify the qualifications of county engineers in certain counties.

- Has not yet received a hearing.

House Bill 237 – To make changes to the laws governing all-purpose vehicles, off-highway motorcycles, snowmobiles, utility vehicles, and mini-trucks.

- Has not yet received a hearing.

House Bill 239 – To establish requirements relative to the registration, titling, and use of replica motor vehicles.

- Has not yet received a hearing.

Senate Bill 15 – Allows retired military veterans to apply for permanent motor vehicle registration.

- Has received one hearing.

Senate Bill 35 – Creates two funds to reimburse certain peace officer continuing professional training costs and to provide small law enforcement agencies with equipment-purchasing grants.

- Has received two hearings.

Senate Bill 48 – To reduce the tax rate on certain motor fuel.

- Has received one hearing.

Senate Bill 85 – Expands eligibility for county sewer discounted rates.

- Has received one hearing.

Senate Bill 116 – To make changes to Ohio's Unemployment Compensation Law.

- Has received two hearings.

Senate Bill 119 – to make changes to the laws governing the transfer and disposal of solid waste and construction and demolition debris, including the revision and establishment of certain fees.

- Passed out of the Senate on June 21.

- CCAO provided interested party testimony.

Senate Bill 134 – To extend the homestead property tax exemption to certain disabled veterans.

- Has not yet received a hearing.

Senate Bill 136 – To reduce property taxes on qualifying owner-occupied homes and to name this act the Property Tax Relief and Local Government Support Act.

- Has not yet received a hearing.

Senate Bill 137 – To generally prohibit the use of ranked choice voting and to withhold Local Government Fund distributions from a municipality or chartered county that uses ranked choice voting.

- Has not yet received a hearing.

Senate Bill 147 – To permit an elector to change party affiliation through the voter registration process, to require an elector to register as a member of a political party in order to participate in that party's primary election.

- Has not yet received a hearing.

House Concurrent Resolution 6 – To urge Congress to repeal the Windfall Elimination Provision and the Government Pension Offset.

- Favorably reported by the House Pensions Committee on May 22.
- CCAO has provided proponent testimony.

Legislative Activity

Introduction of Bills

The following bills that may be of interest to counties were introduced this week:

- Senate Bill 147 (Senator Michele Reynolds): To permit an elector to change party affiliation through the voter registration process, to require an elector to register as a member of a political party in order to participate in that party's primary election.

Upcoming Committee Hearings

The following committees are currently scheduled to meet and discuss bills that may be of interest to counties. Other committees will likely meet as well but as of press time for *Statehouse Report* they have not released agendas. Please note that these schedules are subject to change.

If you would like to offer testimony on any bill, please visit the committee page and contact the committee chair's office for instructions on how to submit testimony.

Tuesday, September 12

Senate Local Government (11:30 a.m.)

- House Bill 101 (Representative Adam Bird and Representative Jean Schmidt): To modify the law regarding village dissolution.
    - Second hearing, proponent testimony
    - **POSSIBLE AMENDMENTS**

House Ways and Means (2:30 p.m.)

- House Bill 187 (Representative Thomas Hall and Representative Adam Bird): Modify procedures to conduct property tax sales-assessment study.
    - Fourth hearing, all testimony
    - **POSSIBLE AMENDMENTS**
    - **POSSIBLE VOTE**
- House Bill 90 (Representative Tom Patton): Authorize property tax exemption for disabled veterans, spouses.
    - Third hearing, opponent testimony